



Saskatchewan
Environment and
Public Safety

Annual Report 1989-90

Saskatchewan Environment and Public Safety

Environmental Protection Fund

Table of Contents

Letters of Transmittal	3
Fund Establishment	5
Beverage Container Recycling System	6
Environmental Projects	6
Financial Summary	8
Auditor's Report	9
Financial Statements	10



Her Honour

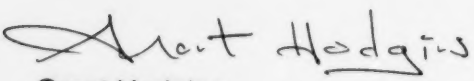
The Honourable Sylvia O. Fedoruk,
O.C., S.O.M.
Lieutenant Governor of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7



Your Honour:

It is my pleasure to submit to you the Annual
Report of the Environmental Protection Fund
for the fiscal year ending March 31, 1990.

Respectfully submitted,

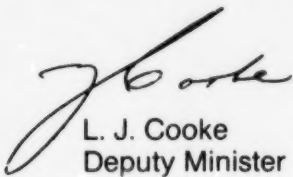

Grant Hodgins

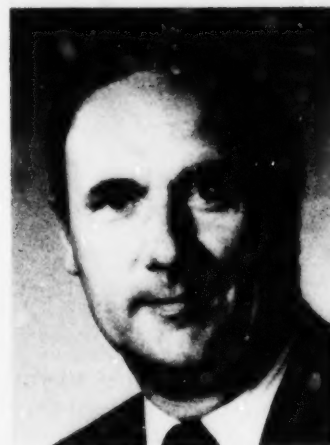
The Honourable Grant Hodgins
Minister of Environment and Public Safety

Dear Sir:

It is my pleasure to submit to you the 1989-90
Annual Report of the Environmental
Protection Fund for the fund's second year of
operation.

Respectfully submitted,


L. J. Cooke
Deputy Minister



Fund Establishment

The Environmental Protection Fund was established by authority provided in The Litter Control Amendment Act, 1988, effective May 12, 1988.

The fund was established to receive moneys generated by an environmental handling charge and a refundable deposit levied on designated non-refillable beverage containers sold in the province. Money accumulated in the fund is to be used to pay for the collection and recycling of non-refillable containers, and to pay deposit refunds on the containers collected.

Unrefunded deposits are dedicated to be used for environmental purposes by the Minister of Environment and Public Safety, with approval by the Minister of Finance.

Beverage Container Recycling System

A province-wide system of depots has been established to collect designated non-refillable beverage containers. The system is operated by the Saskatchewan Association of Rehabilitation Centres (SARC) under contract with Saskatchewan Environment and Public Safety. SARCAN, a subsidiary of SARC, was established to operate the system. The following primary goals were established for SARCAN:

- To maximize collection of designated non-refillable containers; and,
- To maximize employment for handicapped individuals.

By year end, 55 depots had been established employing approximately 145 individuals. Of these, approximately 135 employees are handicapped individuals.

Two types of designated non-refillable beverage containers were collected by SARCAN during the year; aluminum cans and polyethylene terephthalate (PET) plastic bottles. Only those containers used for the distribution of carbonated soft drinks and domestic beer were collected.

The following is a tabulation of the aluminum cans and PET bottles distributed for sale in the province as reported by Saskatchewan Finance and the aluminum cans and PET bottles returned to SARCAN depots as reported by SARCAN during the period April 1, 1989 to March 31, 1990.

<u>Container</u>	<u>Distributed</u>	<u>Returned</u>	<u>Return Rate</u>
Aluminum Cans	105,369,974	76,613,503	73%
PET Bottles	10,538,242	4,948,922	47%

The return rates have increased significantly from 1988-89 the first year of the program; returns for aluminum cans increased from 48 per cent to 73 per cent, and PET bottles from 19 per cent to 47 per cent.

Environmental Projects

This was the first year expenditures were made on projects for environmental purposes from surplus funds not required for operations.

The following projects were funded during the year:

Agricultural Chemical Collection Program - \$211,594

Program to collect and dispose of hazardous agricultural chemicals which are stored at residences, farms and government storage facilities across the province. The storage of these unwanted, deteriorated, and in some cases, highly toxic chemicals present an extreme risk and pose a serious hazard to wildlife, fish and the environment if they are carelessly discarded.

Water Quality Management Program - \$45,628

Laboratory analysis, field expenses and equipment to support the development of a comprehensive water quality management program. Water quality information on waterbodies in northern Saskatchewan is gathered and information on recreational lake water quality for cottagers is updated.

Environmental Laboratory Study - \$22,146

A feasibility study to examine potential development of an Environmental Trace Organics Laboratory for the province. This facility would eliminate unnecessary delays by increasing provincial capacity to undertake tests for dioxins and other hazardous chemicals.

Saskatchewan Environmental Society - \$8,000

Grant to assist the society with an environmental education program and youth environmental summit to provide youth in Saskatchewan with an opportunity to develop action plans on environmental issues, which in turn creates awareness and environment-friendly habits.

Toxicology Research Centre Grant - \$100,000

The province has been providing an annual operational grant of \$200,000 to the centre since its establishment in 1982-83. These additional funds are provided to the centre to enhance its ability to undertake analysis of toxic substances and other research.

North American Waterfowl Management Plan - \$250,000

Operational funds for the new Saskatchewan Wetland Conservation Corporation established in January, 1990 to coordinate the implementation of programs in Saskatchewan under the North American Waterfowl Management Plan. This is an international program and Saskatchewan has a significant role in waterfowl conservation with respect to preservation, management, and development of waterfowl breeding habitat including wetlands, uplands nesting areas, and other wildlife habitat in Saskatchewan.

Saskatchewan Round Table on Environment and Economy - \$21,209

A budget of \$100,000 was provided in the 1989-90 appropriation for the Department of Environment and Public Safety as base funding for the Saskatchewan Round Table on Environment and Economy established in March, 1989. The Round Table was to seek assistance from the private sector for any additional operation funds required, and if funds were not available from that source, they were to be provided by the Environmental Protection Fund. Extra funds were required and provided for a Round Table brochure and travel and meeting expenses of Round Table members and staff.

These projects would not have been possible without the funds generated by the Environmental Protection Fund.

Financial Summary

The environmental handling charge levied on the aluminum can and the PET bottle is two cents and five cents respectively. The deposits levied on these two containers is five cents and 10 cents respectively. The total revenue to the fund from these levies, plus interest earned by the fund, was \$9,484,247.

The environmental handling charge is used to pay for the SARCAN system operation. The total environmental handling charge paid to SARCAN was \$2,627,153. Refunds paid for cans and bottles returned to the SARCAN depots totalled \$4,324,754. A total of \$658,777 was expended on environmental projects.

The operating surplus for the year was \$1,873,763, which, combined with the previous year's operating surplus of \$3,046,145, produced a total accumulated operating surplus at year end of \$4,919,908.

This accumulated operating surplus will be carried forward to the 1990-91 fiscal year and made available for future environmental projects expenditures.

AUDITOR'S REPORT

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of The Environmental Protection Fund as at March 31, 1990 and the Statement of Operations and Operating Surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the fund as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Regina, Saskatchewan
October 5, 1990



G.F. Wendel, C.A.,
A/Provincial Auditor

The Environment Protection Fund

Balance Sheet as at March 31

	1990	1989
Assets		
Current:		
Due from the Consolidated Fund	\$ 5,278,029	\$ 3,331,907
Accounts Receivable	<u>143,461</u>	<u>129,528</u>
	5,421,490	3,461,435
Fixed Assets (Note 3)	<u>38,165</u>	<u>—</u>
	<u>\$ 5,459,655</u>	<u>\$ 3,461,435</u>
Liabilities and Fund Surplus		
Current:		
Accounts payable	\$ 539,747	\$ 415,290
Operating surplus (Statement 2)	<u>4,419,908</u>	<u>3,046,145</u>
	<u>\$ 5,459,655</u>	<u>\$ 3,461,435</u>

(See accompanying notes to the financial statements)

The Environmental Protection Fund

Statement of Operations and Operating Surplus For the Year Ended March 31, 1990

(with comparative figures for the period May 12, 1988,
Date of Establishment to March 31, 1989)

	1990	1989
Revenue:		
Interest	\$ 485,159	\$ 123,441
Collections received from distributors	<u>8,999,088</u>	<u>7,661,466</u>
	<u>9,484,247</u>	<u>7,784,907</u>
Expenditure:		
Payments to contractor		
Environmental handling charge	2,627,153	2,207,827
Refunds of deposits	<u>4,324,754</u>	<u>2,530,935</u>
	<u>6,951,907</u>	<u>4,738,762</u>
Environmental Projects		
Agriculture Chemical Collection Program	211,594	—
Water Quality Management Program	45,628	—
Environmental Laboratory Study	22,146	—
Saskatchewan Environmental Society	8,000	—
Toxicology Research Grant	100,000	—
North American Waterfowl Plan	250,000	—
Round Table on Environment	<u>21,209</u>	<u>—</u>
	<u>658,577</u>	<u>—</u>
Total expenditure	<u>7,610,484</u>	<u>—</u>
Excess of revenue over expenditure	1,873,763	3,046,145
Operating surplus, beginning of year	<u>3,046,145</u>	<u>—</u>
Operating surplus, end of year - to Statement 1	<u>\$ 4,919,908</u>	<u>\$ 3,046,145</u>

(See accompanying notes to the financial statements)

The Environmental Protection Fund

Notes to Financial Statements
March 31, 1990

1. Legislative Authority

The Environmental Protection Fund was established May 12, 1988, pursuant to The Litter Control Amendment Act, 1988, which was assented to June 21, 1988.

a) Revenue

Pursuant to Section 14 of this Act the following amounts are to be deposited to the Fund.

i) For every purchase of a beverage in a designated container:

- a) an environmental handling charge;
- b) a refundable deposit;

in respect of each container.

ii) Interest earned on investments. Moneys in the Fund are invested by Saskatchewan Finance and interest is paid to the Fund based on the average balance in the Fund. Payments are made quarterly at an interest rate based on the bank prime rate.

b) Expenditures

Pursuant to Section 14.88 of this Act payments may be made out of the fund for:

- i) refunds in respect of designated containers returned to depots;
- ii) to defray the expenditures incurred by the minister pursuant to any agreements entered into in the administration of the Act.

c) Disposition of Operating Surplus

Any money in the Fund not immediately required for the purpose described in b) may be used by the Minister of Environment and Public Safety for any environmental purpose approved by the Minister of Finance as provided by Section 14.89 of the Act.

d) Due from the Consolidated Fund

This amount represents the balance of funds held by the Consolidated Fund on behalf of the Fund.

2. Accounting Policies

a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with a modification due to the legislation authorizing the collection of revenue from distributors. This revenue is only recognized when received by the fund.

b) Fixed Assets and Depreciation

Fixed assets are recorded at cost and are depreciated on a straight-line basis at an annual rate of 25% over their estimated useful life. The cost and related accumulated depreciation of items disposed of are removed from the records and any gains or losses are included in the income statement.

3. Fixed Assets

	1990		1989
	Cost	Accumulated Depreciation	Net Book Value
Equipment-Agriculture Chemical Collection Program	\$ 5,093	\$ 1,274	\$ 3,819
Equipment-Water Quality Management Program	45,794	11,448	34,346
	<u>\$ 50,887</u>	<u>\$ 12,722</u>	<u>\$ 38,165</u>

4. Related Party Transactions

The Fund has not been charged with administrative or occupancy costs except for those costs attributable to environmental projects as the total costs of approved projects are intended to be paid from the Fund. No provision for the unattributable costs is reflected in these statements. These costs are absorbed by the Department of Finance and the Department of Environment and Public Safety.